

Outdoor Advertising Manual

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I. Applicability and Purpose

- A. These procedures are applicable to nonconforming highway outdoor advertising signs on controlled routes (routes controlled under the State's Highway Beautification Act) and highway advertising signs on other routes than have been made nonconforming due to local statutes.
- B. The purpose of these procedures is to provide compensation for signs taken on right of way projects and for the removal of non-conforming outdoor advertising signs in compliance with Legislative Act No. 276, Third Special Session, Alabama State Legislature, 1971, enacted February 10, 1972, (as amended by Act No. 79-672) and Federal Highway Administration 23 CFR Part 750, Subpart D.

II. Sign Acquisition - General Procedure

A. Appraising Signs

Upon receipt of the OAS-1 forms, the Division Staff Appraiser will complete a short-form appraisal (OAS-7) for each sign classified as nonconforming in accordance with the instructions contained in this manual for the appraisal of Outdoor Advertising Signs.

B. Appraisal Review

- 1. The Division Appraisal Review Section is to review the sign appraisal along with the appraisal for the right of way and submit same to the Central Office along with their recommendations.
- 2. The recommendations should be made separately for the sign and right of way.

C. Approvals

The approved offer for each sign will accompany the approved offer for the right of way by letter from the Central Office. This will enable simultaneous negotiations for the required right of way and the outdoor advertising signs.

D. Condemnation of Signs

- 1. If neither the landowner nor sign owner agrees to the separate acquisition offers to them, then both should be included as interested parties in the condemnation petition.
- 2. If the sign owner accepts the acquisition offer for the sign but the landowner will not accept the acquisition offer to him, then do not include the sign owner as a party of interest in the petition.

3. If the landowner accepts the acquisition offer but the sign owner will not accept the acquisition offer for the sign, then the interest of both parties must be condemned.
4. The Appraiser and/or Sign Specialist is to testify in court to the value of the sign and/or leasehold interest.

E. Administrative Settlements

Administrative settlements in the acquisition of signs shall be consistent with the normal State practices in acquiring right of way by means of such settlements and shall comply with applicable Federal regulations.

F. Salvage and Retention

1. The Alabama Department of Transportation's policy relative to the disposition of signs on right of way projects is as follows:
2. To pay the depreciated value and encourage the sign owner to remove for salvage.
3. When the relocation costs approximate or exceed the value of the sign, the Central Office will approve an offer to purchase the sign and allow the owner to retain for salvage if desired.

III. Instructions for Completing Short-Form Appraisal – Outdoor Advertising Sign

A. General Instructions

The instructions in this manual involve the valuation of two types of signs: Outdoor Advertising Signs (paint bulletins and poster panels) and Miscellaneous Nominal Value Signs (signs constructed of plywood, masonite, light metal, etc.). The sign appraiser shall be familiar with the design and construction of outdoor advertising devices and shall keep up to date on the procedures and valuation schedules pertaining to each. He shall also have a thorough understanding of depreciation as it applies to signs. When submitting the *Short Form Appraisal-Outdoor Advertising Sign* (OAS-7), it is vital that all applicable information relative to the sign's valuation is furnished.

- B. Identification – The project number and description will be furnished to the appraiser. The remainder of this section will be completed from information obtained from the inventory card prepared for each individual sign.
- C. Ownership – This information will normally be obtained from the inventory card on each individual sign, however, if the information is not furnished or is incomplete, it will be the responsibility of the appraiser to complete this section.

- D. Description of Sign – It is suggested that the appraiser refer to the manual and read the definition section prior to completing this section of the form appraisal. The required information to complete this section will normally be found on the inventory card; however, it will be the responsibility of the appraiser to verify each item when the on-site inspection of the sign is made. It is essential that this section be totally completed to facilitate proper valuation of the sign.
- E. Valuation of Sign – The appraiser will refer to Section III of the form appraisal to determine the various component parts to be included and valued in Section IV.

The current schedule for each type sign will indicate the reproduction cost of each component part of the sign based on square foot values, except where indicated differently in the schedules. It is very important that the appraiser have the correct measurements of the sign.

The following discussion will assist the appraiser in making the above determinations and is primarily relevant to the valuation of paint bulletins and poster panels. Again, the appraiser should be familiar with the definition section of this manual:

1. Base Cost – This is computed based on a sign constructed with either a wood or metal face erected on wood sign supports with a H.A.G.L. of 12 feet. This computation will be basic with each sign using the square foot area of the sign face.
2. H.A.G.L. Schedule – The base cost includes H.A.G.L. (Height Above Ground Level) of 12 feet. Please refer to H.A.G.L. schedule for those signs exceeding H.A.G.L. of 12 feet. The adjustment will be based on the square foot area of the sign face.
3. Metal Supports – If the sign has metal supports, the valuation of the sign will require a square foot cost adjustment from the schedule. The adjustment will be based on the square foot area of the sign face.
4. Lights – If the sign is lighted, the valuation of the sign will require a square foot adjustment from the schedule. The adjustment will be based on the square foot area of the sign face.
5. Scotchlite or Reflective Paint – If the sign has scotchlite or reflective paint on the sign face, the valuation of the sign will require a square foot adjustment from the schedule. The adjustment will be based on the estimated square foot area of the sign face covered by scotchlite or reflective paint.
6. Panel Moulding – If the sign face has panel moulding, the valuation of the sign will require a square foot adjustment from the schedule. The adjustment will be based on the square foot area of the sign face. Moulding will normally only be found on poster panels.
7. Posting Platform – If the sign has a posting platform, the valuation of the sign will require an adjustment from the schedule. The adjustment will be based on lineal feet of the platform.

8. Cut-out – If the sign has a cut-out on the sign face, the valuation of the sign will require an adjustment from the schedule. The adjustment will be based on the estimated square foot area of the cut-out.

IV. Depreciation

- A. Depreciation will be determined based on observation and employing the following guidelines in selecting the depreciation rate. There are three (3) basic types of depreciation that have an effect on the value of a sign, and these are explained as follows:
 1. Physical Deterioration: This will apply to all types of signs. The only time there can be no physical deterioration is when the sign is new or completely repaired. Indications of physical deterioration are rot, paint peeling or fading, rust, broken or bent component parts, missing parts, etc. (Please see the following chart)
 2. Functional Obsolescence – These are things built into a sign that causes it to decrease in value. Some examples of this area are as follows:
 - a. The owner of a business also owns the sign, and the owner goes out of business or the name of the business is changed. The message automatically becomes obsolete, although it may be in like new condition.
 - b. Certain signs are temporary in nature. When the activity, which they are advertising, is over, the entire sign or the message is obsolete. This was known when the sign was erected; therefore, the functional obsolescence was built into the sign.
 - c. The sign structure is larger than the face of the sign.
 3. Economic Obsolescence – This is a decrease in the value of a sign caused by outside sources. Some examples of this are as follows:
 - a. A sign is located in an area that will very shortly be developed as residential or commercial, and the sign will not be allowed to remain.
 - b. A building, or some other structure, is constructed that partially or completely obstructs the view of the sign from the travelling public. Trees, shrubbery, etc., have grown so that the sign is partially or completely hidden from the highway.
 - c. An expired lease with the land owner, which would allow the land owner to remove the sign since he is no longer receiving any rent from the sign company.
- B. It will be the responsibility of the appraiser to determine the depreciation applicable to each sign and provide sufficient explanation in the space provided in the form appraisal.

Physical Deterioration Chart	
Percentage (%)	Condition
0 %	Structure is new or maintained in a like new condition.
1 –10%	Structure is sound in all respects, but some minor deterioration is evident. Examples are as follows: Paint fading or peeling on component parts. Some wood components warped or show signs of rot. Metal parts show minor amounts of rust or component parts bent. Component parts need re-nailing.
11 – 25%	Structure is basically sound, but there is some evidence of deferred maintenance. Some of the deterioration mentioned in the 1-10% range may be present and advanced and/or one of the following component parts needs to be replaced. A post or upright Back bracing A panel section Part of moulding One or two planks on platform
26 – 40%	Structure is still sound but the deterioration is much advanced past the 11-25% range. Large amounts of rust are in evidence, and/or two of the components mentioned in the 11-25% range need to be replaced.
41 – 60%	Structure is approaching an unsound condition, but is still upright. The items mentioned in the 1-10% range may be very much advanced and need replacing or painting. At least three of the components in the 11-25% range must be replaced. A great deal of maintenance is required to place the structure in a reasonable condition.
61 – 100%	Structure is unsound and will have to be replaced. The total depreciation depends upon how much material the sign owner can salvage when the structure is torn down.

Note: In each of the ranges listed above, the appraiser will have to weigh the items and place the deterioration at its proper place in the range. For example, if in the 1-10% range, the only thing wrong with the structure is that a couple of the small wood members are slightly warped, the deterioration would be at the lower end. If, however, there were 3 or 4 of these items evident, the deterioration would be in the upper part of the range. In all cases, the appraiser will be called upon to use his best judgement in applying the depreciation rates.

The copy on poster panels is not a part of the cost new. Appraisers must, therefore, ignore the condition of the copy when estimating physical deterioration because it only applies to the structure.

In estimating the deterioration on painted bulletins, the appraiser will have to exercise more judgement because these signs will be in various sizes where the poster panel is a standard size with normally the same component parts. The components, such as posts, may not contribute the same to the overall cost of painted signs because of the differences in size. If one post of a three post sign needs to be replaced, the percent of deterioration would probably be higher than if one post of a six post sign needs to be replaced. This same reasoning will have to be followed in estimating the physical deterioration on all painted signs.

C. Functional Obsolescence

1. It appears that functional obsolescence will be more prevalent in painted signs than in poster panels because the posting copy is not considered as a part of the cost new of a poster panel. This does not mean, however, that it will never exist in some cases. The appraiser will use his judgement in estimating the amount of functional obsolescence, which is to be deducted from the residual after physical deterioration is subtracted from the cost new.
2. Example: A sign that was constructed to advertise the future site of a business, political campaign or special promotions, etc. and was not constructed to stand for a lengthy period of time could be depreciated 100% due to an obsolete message.

D. Economic Obsolescence

1. As in all appraisal problems for property in a transition stage, it is quite difficult to accurately determine how long it will be before development takes place. The appraiser will have to recognize this and use his best judgement in estimating how much longer the sign will be permitted to stand. It is considered that anything over five years would be too speculative to estimate; therefore, it will be considered that there is no obsolescence when the sign can be expected to remain for five years or more.
2. When a sign is completely obscured or screened from the view of the travelling public, it shall be considered to have 90% economic obsolescence. Any degree of screening less the described above will require application of judgement by the appraiser.

V. Definitions

- A. Controlled Route – Any route on the National Highway System, which includes the Interstate System, and any route on the former Federal-Aid Primary System in existence on June 1, 1991.
- B. Sign – An outdoor advertising sign, light, display, device, figure, painting, drawing, message, placard, poster, billboard, or other thing which is designated, intended, or used to advertise or inform, any part of the advertising or informative contents of which is visible from any place on the main-traveled way of a controlled route (or other qualifying facility), whether the same be permanent or portable installation.

- C. Nonconforming Sign – One which was lawfully erected, but which does not comply with the provisions of State law or State regulations passed at a later date, or which later fails to comply with State or local law or regulations due to changed conditions. Illegally erected or maintained signs are not nonconforming signs.
- D. Poster Panel – A structure that is designed to support a flat surface upon which printed advertising or other messages are affixed by pasting. The typical poster panel is 12' X 25' or 24 sheet.
- E. Junior Panel – A structure that is designed to support a flat surface upon which printed advertising or other messages are affixed by pasting. The typical junior panel is 6' X 12' or 6 sheet.
- F. Painted Bulletin – An industry-built structure that is designed to support a flat surface upon which printed advertising or other messages, over 200 square feet in copy area, are affixed by painting.
- G. Miscellaneous Signs – Factory-made signs produced for mass distribution, or small inexpensive signs characterized by "do-it-yourself" workmanship and all other signs that do not fit into the standard sign category.
- H. Single Display – One sign not dependent upon another for support.
- I. Back-to-Back Sign – A sign with two surfaces facing in opposite directions and supported by the same structure.
- J. Double-Deck Sign – An outdoor advertising device containing two separate panels supported by the same uprights and, facing in the same direction.
- K. V-Shaped Display – A sign with at least two faces with the angle of intersection usually 90° or less. Each sign face is supported by separate panels not dependent upon support from the other.
- L. Panel Moulding – The trim or decorative frame surrounding the entire panel or printed message. Normally found on standard poster panels.
- M. Apron – The decorative trim at the bottom of the sign. Normally found on standard painted bulletins.
- N. Posting Platform (catwalk) – A horizontal walking area at the base of the sign face used when work is being performed on the sign.
- O. Cut Outs – The portion of the copy that is reproduced to emphasize a certain figure and draw attention. Normally used on standard painted bulletins.
- P. H.A.G.L. – (Height Above Ground Level) – The distance from the base of the sign face to the ground.

VI. Outdoor Advertising Sign Schedule

	Poster Panel	Other Costs	Paint Bulletin
Base Cost	\$8.60/s.f.		\$12.85/s.f.
Metal Supports		\$2.30/s.f.	
Lights - Fluorescent		\$2.45/s.f.	
Lights - Metallic Vapor		\$3.40/s.f.	

H.A.G.L. Schedule: (Square Foot Cost)		
H.A.G.L.	Wood Poles	Steel Uprights
0' – 12'	Considered in Base Sign Cost	
13' – 15'	\$0.42	\$0.80
16' – 20'	\$1.10	\$2.65
21' & up	\$2.00	\$4.40

A. Additions: (See Instruction)

1. Scotchlite or Reflective Paint - \$2.45 per square foot of enclosed area.
2. Panel Moulding - \$1.85 per square foot of sign.
3. Posting Platform
 - a. Wood - \$7.55 per lineal foot
 - b. Metal - \$14.50 per lineal foot
4. Cutouts - \$8.00 per square foot

B. Depreciation: Observed Method – All three (3) types depreciation.

C. Adjustment for Multiple Construction:

1. Back to Back – 1.6 times the cost of a single panel.
2. Double Deck – Two times the cost of a single panel.
3. V-Shaped – Two times the cost of a single panel.
4. Back to Back and One Panel on Top of Another – (4 sign faces in all)
Take three times the cost of a single panel.

D. Monopole Signs

Monopole signs are paint bulletins with only one metal support. They tend to have supports with large circumferences and high H.A.G.L.s. The above schedule was designed for standard poster panels and paint bulletins; however, it can be used to value smaller monopole signs (those with the smaller circumferences at the base and with lower H.A.G.L.s). If there is an occasion where a large monopole must be acquired, it is suggested that a replacement cost be obtained from a sign company (other than the company owning the sign to be acquired) which produces this type sign. The Division sign appraiser would then apply the applicable depreciation to the replacement cost so obtained.

VII. Miscellaneous Sign Schedule

(Including Nominal Value Signs)

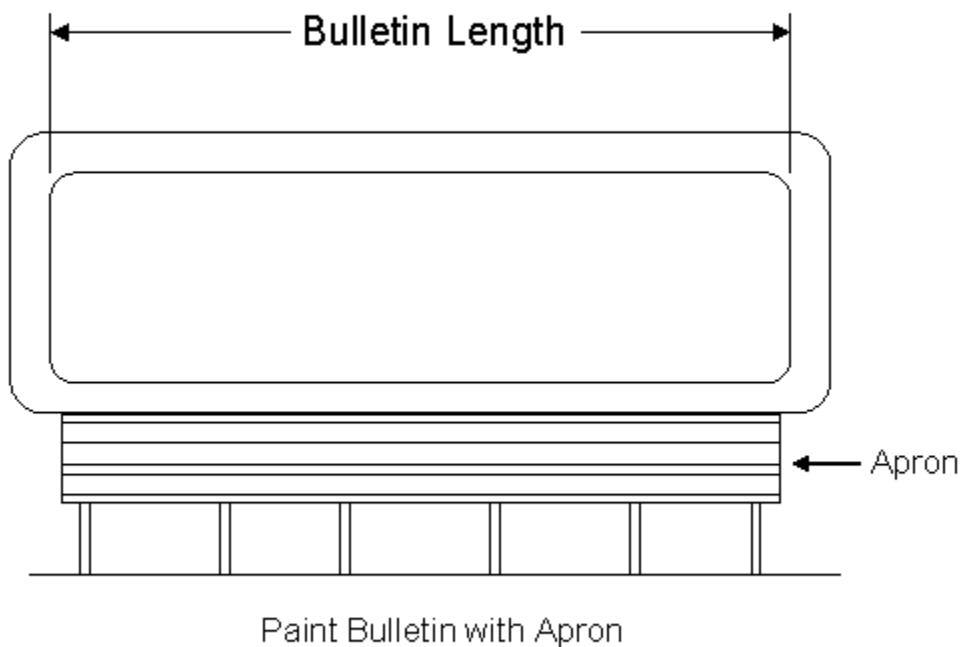
Signs Constructed of Plywood, Masonite, Light Metal

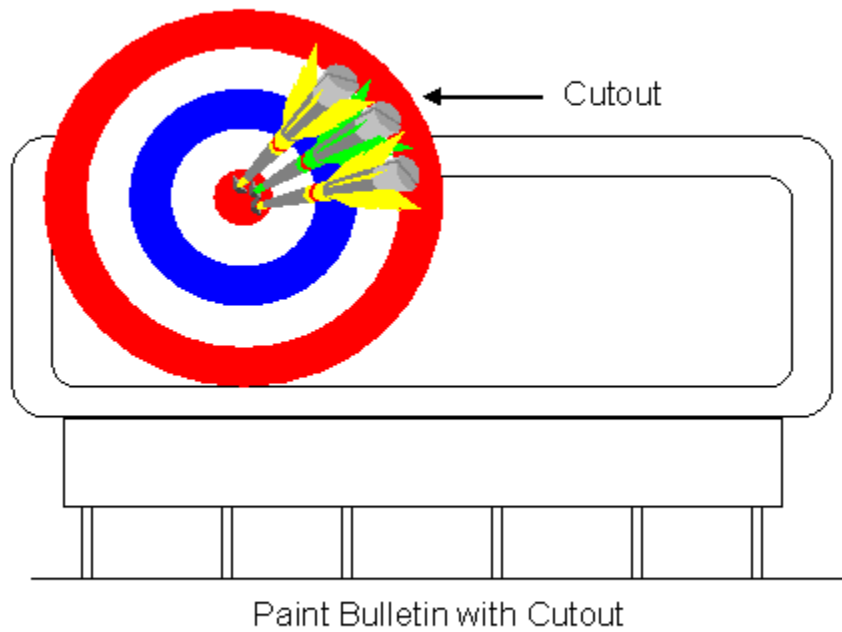
Area (s. f.)	Cost/s. f.	These costs are for professionally made signs. Reductions of up to 50% should be made for homemade construction, particularly crudely lettered signs. A deduction of \$30.00 per sign should be made for mass-produced signs.
1	\$65.00	
2	\$35.00	
3	\$28.50	
4	\$22.00	
5	\$20.00	
6	\$18.00	
7	\$16.00	
8	\$14.00	
16	\$11.00	
24 & up	\$ 9.00	

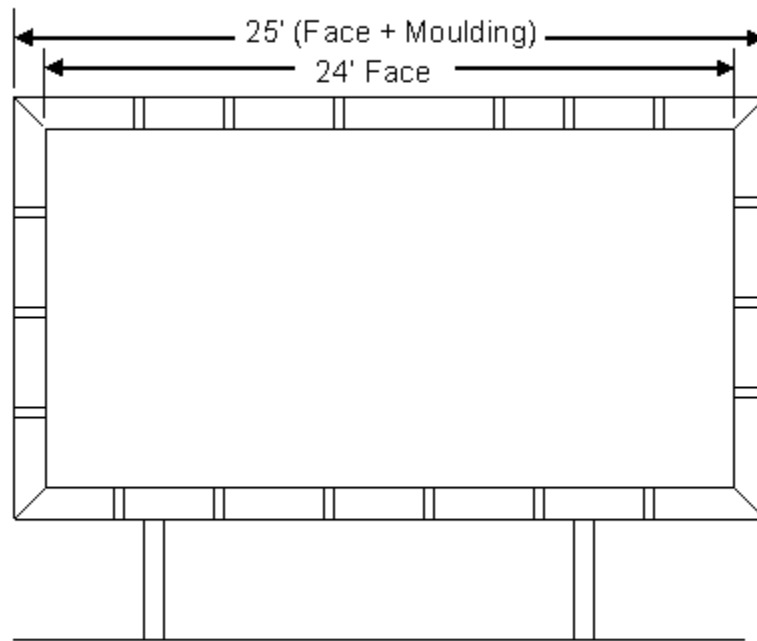
- A. The above schedule is based on typical dimensions of miscellaneous signs. Interpolation is in order for areas not shown.
- B. Back-to-Back Factor – 75%
- C. Double-Face Factor – 60%
- D. Basis of Depreciation: Less 10% - Sign is in new well-maintained condition.
- E. Less 10% - 40% - Sign is in fair condition. Sign needs repainting or there is indication of deferred maintenance.
- F. Less 40% - 70% - Sign is in poor condition. Physical decay of sign structure or parts of sign structure missing. Faded paint and extreme deferred maintenance.

- G. Other Considerations: Age – typical economic life of a sign in this classification is ten (10) to fifteen (15) years. A well-maintained sign that is twelve (12) years old would fall into the 40% depreciation class. This will be a judgement decision of the appraiser.
- H. If the sign is blocked from view partially or totally by weeds, trees, etc., this should be weighed in the depreciation factor selected.

VIII. Illustrations







Poster Panel